

Better Training • Better Workforce • Better Jobs

Workforce Development Legislation Announcement **Eaton Aerospace, February 11, 2004**

Speech Outline

Skilled Workers = Job Creation Over the years, in an effort to improve economic development in Mississippi, our State has formulated industry incentives; repackaged industry recruitment efforts; and increased funding from kindergarten to college. However, one area that needs serious attention, and the area that will begin this Administration's economic development legislative efforts, is the area of Workforce Development. Nothing would do more to help Mississippi create better jobs than developing a workforce that is highly respected in the business world – a true *workforce to be reckoned with*.

We all know that some businesses and industries have not come here for fear of not being able to find enough skilled workers. Concern about workforce issues is also very important to businesses that are already located in our state. In a recent survey, 94% of Mississippi employers said more state support for workforce training should be a top priority. More importantly, our working people deserve help in upgrading their skills so they can get better, higher-paying jobs.

Current System Too Complex We have a complex web of workforce development programs. More than 10 state agencies as well as multiple boards and

councils at the state and local levels have some kind of workforce development function. You can imagine, it's not easy to coordinate all this and make it user-friendly. The result is that many employers and workers do not utilize these programs. Mississippi is not maximizing our workforce training investment or the federal dollars allocated to us.

Legislation It is clear that Mississippi must create a *Better Training* environment -- to develop a *Better Workforce* -- to have *More and Better Jobs*. To that end, I am pleased today to announce the introduction of the Mississippi Comprehensive Workforce Training and Education Consolidation Act of 2004. The Act will streamline workforce-training activities within the state and create a more efficient and effective method for delivery of workforce-training activities and education.

Merging Boards The Act merges the State Workforce Development Council which oversees state workforce dollars with the State Workforce Investment Board which oversees federal workforce dollars. The new State Workforce Investment Board will oversee and coordinate both state and federal workforce dollars, as well as all workforce development activities.

Currently, the State is divided into six workforce training areas which control 60 workforce training centers: WIN Job Centers, or One-Stop Centers. These training areas utilize federal workforce dollars to conduct training activities. Two of the six areas, Hinds County and the Gulf Coast, will be merged into the remaining four areas to streamline administration and training and better align the workforce areas with the Planning and Development Districts.

The four workforce training areas will be run by four respective local workforce investment boards. The workforce training boards, with the local planning and development districts acting as fiscal agents, will have incentives to contract the operation of the One-Stop Centers

with community and junior colleges. Therefore, the community and junior colleges will have a stronger role in actually providing the training. They have a proven record of performance and achievement in this area.

Local Workforce Development Councils currently perform essentially the same functions as the local workforce investment boards but utilize state training dollars. They oversee the training that occurs at each of the fifteen community colleges' workforce development centers. The Local Workforce Development Councils will remain intact and will perform advisory roles in the community colleges' workforce training activities.

Governor's Responsibility The Act will give the Governor much needed authority over most workforce development activities through the Mississippi Development Authority, allowing him to ensure cooperation among providers of workforce-training activities. The Act also places the Mississippi Employment Security Commission under the Governor. The new Department of Employment Security will be headed by a Director and the three current Commissioner positions now controlling the Commission will be eliminated.

The Unemployment Insurance Advisory Council will also be eliminated, moving the authorization of unemployment insurance rates under the control of the Director. The various boards that review and oversee unemployment claims, benefits, etc, will remain intact. The creation of the new Department of Employment Security should result in a savings of approximately \$2.1 million annually. More importantly, it will allow for greater coordination and maximization within the executive branch of federal workforce development programs.

Bigger Tax Credit Incentive to Employers As
an additional component of Mississippi's Workforce

Training Package, legislation will be introduced to increase and redefine the tax credit for employers providing employee skills training and retraining. Currently, only a small percentage of workers get workforce and skills training through their employers. A 50% income tax credit, or up to \$2,500 per employee, will be provided to employers who sponsor basic skills training or retraining that improves job performance and is approved by a community or junior college.

Support Groups I am pleased to be joined by the sponsors of this legislation and some of the leaders in the Legislature who support this legislation. I am also pleased to be joined today by representatives of the Mississippi Manufacturers Association, the Mississippi Economic Council, the Mississippi Association of Supervisors, the Mississippi Municipal League, the National Federation of Independent Businesses, the Community Colleges, and the Planning and Development Districts.